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AD HOC COMMITTEE OF THE WHOLE
FOR THE PREPARATION OF THE
INTERNATIONAL DEVELOPMENT STRATEGY
FOR THE FOURTH UNITED NATIONS
DEVELOPMENT DECADE
Third session
15-26 January 1990

PROVISIONAL AGENDA

1. Adoption of the agenda.

2. Election of officers.

3. Elaboration of the international development strategy for the fourth United Nations development decade.

4. Arrangements for future sessions.

ANNOTATIONS

1. Adoption of the agenda

In its resolution 43/182 of 20 December 1988, the General Assembly decided to establish an Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade, and requested the Ad Hoc Committee to submit a progress report to the General Assembly for consideration at its forty-fourth session, with a view to finalizing the strategy in time for its adoption in 1990.

The Ad Hoc Committee held an organizational and two substantive sessions during 1989 and submitted a report on its work to the General Assembly at its forty-fourth session. 1/ In its resolution 44/169 of 19 December 1989, the Assembly, inter alia, took note of the report of the Ad Hoc Committee.

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2. Election of officers

At its 1st meeting, on 15 March 1989, the Committee elected the following officers by acclamation:

Chairman: Mr. Gamani COREA (Sri Lanka)

Vice-Chairmen: Mr. Ahmed DJOGHLAF (Algeria)
Mr. Alvaro Gurgel DE ALENCAR (Brazil)
Mr. Paul LABERGE (Canada)
Mr. Wolfgang SPROETE (German Democratic Republic)

At its 4th meeting, on 6 June 1989, the Committee, on the proposal of the Bureau, decided that Mr. Ahmed Djoghlaf (Algeria) would serve as Rapporteur.

In view of the resignation of Mr. Paul Laberge (Canada), the Committee will need to elect a Vice-Chairman to succeed him.

3. Elaboration of the international development strategy for the fourth United Nations development decade

In its resolution 44/169, the General Assembly recommended that the Ad Hoc Committee adopt the outline contained in the annex to that resolution as the basis for the elaboration of the international development strategy for the fourth United Nations development decade. The annex reads as follows:

"Outline for the elaboration of the international development strategy for the fourth United Nations development decade

"I. PREAMBLE

"Review of the 1980s and prospects for the 1990s, with a view to adopting a flexible economic framework for growth and development for the 1990s, taking into account the results of the special session of the General Assembly devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries.

"II. GOALS AND OBJECTIVES

"To promote the development of developing countries in the context of the strengthening of global development.

"III. POLICIES AND MEASURES

"The strategy should focus on national efforts in all countries and on international co-operation for the 1990s.

"The strategy should address, inter alia:

(a) Reactivation and acceleration of broad durable economic growth and development, including:

(i) External debt;

(ii) International trade and commodities;

(iii) Technology;

(iv) Industrial policies; food and agricultural policies;

(v) Economic policy frameworks;

(b) Priority aspects of development:

(i) Eradication of poverty and hunger;

(ii) Human resources and institutional development;

(iii) Population;

(iv) Environment;

(v) Food and agriculture;

(c) The need to take account of different requirements, situations and problems, including those of the least developed countries;

(d) Development financing.

"IV. ROLE OF UNITED NATIONS ORGANS

"V. REVIEW AND APPRAISAL"

The Ad Hoc Committee may wish to begin a section-by-section discussion of the outline during its third session with a view to elaborating the international development strategy for the fourth United Nations development decade, as recommended by the General Assembly.

As requested by the General Assembly in resolution 43/194 of 20 December 1988, the Secretary-General will update the report on the overall socio-economic perspective of the world economy to the year 2000. A summary report will be submitted to the Ad Hoc Committee at its third session, while the full report will be submitted at the fourth session.

In addition, the Secretary-General will make available an informal background note on the outline for the elaboration of the strategy contained in the annex to General Assembly resolution 44/169. Owing to the constraints of time between the adoption of the resolution and the third session of the Ad Hoc Committee, it is expected that this note will be issued as a conference room paper.

Documentation

Summary of the updated report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000

Note by the Secretary-General on the outline for the elaboration of the international development strategy for the fourth United Nations development decade

4. Arrangements for future sessions

The Ad Hoc Committee may wish to confirm the dates of its fourth session, currently scheduled to take place from 4 to 15 June 1990.

Attention is drawn to the recommendation which the Ad Hoc Committee made to the General Assembly that a fifth session be held for a period of two weeks during the months of August and/or September, if the need should arise. Although the Assembly took note of the Ad Hoc Committee report, it did not specifically take action on this recommendation.

Notes

1/ Official Records of the General Assembly, Forty-Fourth Session, Supplement No. 41 (A/44/41 and Corr.1).

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UNITED NATIONS

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AD HOC COMMITTEE OF THE WHOLE
FOR THE PREPARATION OF THE
INTERNATIONAL DEVELOPMENT STRATEGY
FOR THE FOURTH UNITED NATIONS
DEVELOPMENT DECADE
Third session
15-26 January 1990
Item 3 of the provisional agenda*

ELABORATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

Summary of the updated report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000

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* A/AC.232/6.

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INTRODUCTION

A. Mandate and background

1. The General Assembly, in its resolution 43/194 on the examination of long-term trends in economic and social development, requested the Secretary-General to update, as appropriate, the report on the overall socio-economic perspectives of the world economy to the year 2000 (A/43/554), in co-operation with the Secretary-General of the United Nations Conference on Trade and Development, taking into account the debate on the subject in the General Assembly at its forty-third session and in the Economic and Social Council at its second regular session of 1988, as well as the views expressed by the Committee for Development Planning, so as to enhance its utility as one of the background documents for the preparation of the international development strategy for the fourth United Nations development decade.

2. The present report was prepared by the Department of International Economic and Social Affairs, and contributions were provided by relevant units of the United Nations Secretariat and specialized agencies. It presents an assessment of long-term trends in world economic and social developments and is intended to serve as a quantitative and qualitative framework for the preparation of the development strategy.

B. Summary

3. The following broad themes are developed in the report:

(a) The world economy as a whole has grown slowly during the 1980s but there has been remarkable progress in some countries - notably in Asia - along with stagnation or even serious setbacks in Africa and Latin America. The gap between the richest and the poorest countries in the world has widened, and so have the differences among the developing countries. The majority of the world population live in countries where average economic conditions have been improving, but for many developing countries, the 1980s have been years of falling per capita incomes and standards of living;

(b) In the baseline scenario, which incorporates the currently prevailing constraints on world economic growth, the developed market economies will grow at almost 3 per cent in the 1990s, and Eastern Europe and the Union of Soviet Socialist Republics, at 3.6 per cent. In South and East Asia, overall growth of gross domestic product (GDP) will be in the order of 6 per cent and in China it will be slower than before but still high at 5.6 per cent. However, in Latin America and Africa, per capita growth will be negligible. Alternative scenarios have been studied, exploring the impact of realistic economic policy changes. These might add about a 0.5 percentage point to the rate of growth of developed economies, somewhat more in Eastern Europe and the USSR, and as much as 1 or 1.5 percentage points to the rate of growth of developing countries;

(c) Interdependence among national economies is steadily increasing, and the forces, essentially technological, that account for it will continue to integrate

economies together. World trade will grow at 4.5 per cent and the implication is that all countries will become dependent on the policies and development of other countries;

(d) The use of energy is expected to continue to grow more slowly than GDP and the pattern of world energy trade is expected to change significantly. The share of the Organization of Petroleum Exporting Countries (OPEC) in world exports of crude oil is expected to increase and in about the mid-1990s oil prices may be expected to move up. The evidence that fossil fuels are major contributors to the greenhouse effect, as well as to acid rain, together with the widespread public resistance to nuclear energy, will influence energy investments and development strategies;

(e) By the year 2000 almost 1 billion people will still have per capita income of less than $300 per year. Infant mortality rates are expected to decline gradually in sub-Saharan Africa and in the least developed countries generally, but undernutrition and lack of access to safe drinking water and adequate sanitation are expected to remain serious in areas of economic stagnation or decline;

(f) Governments will face difficult policy issues in the next decade under expected demographic trends. Employment is likely to grow more slowly than the labour force in most countries, and unemployment will be a concern for many countries;

(g) Heavy pressures on the global ecological system have given rise to a range of critical issues of ecological degradation and pollution, which are rapidly coming to a head. An increasing consensus that the global climate is warming, which could cause major changes in rainfall patterns and agricultural productivity and increased coastal flooding, requires an international response;

(h) Human resources have long been neglected in development strategies or approached in a piecemeal fashion. Problems of education, health, social integration, the status of women, and crime and drug abuse call for a clearer vision of the objectives of development.

4. The political climate for international co-operation has improved, but continued stagnation in a large part of the developing world, if it continues, is a serious threat to peace. Past experiences of attempting to forecast long-term trends have not been very successful. Unanticipated shocks and policy responses will probably make for a different outcome, for better or for worse. The purpose of contemplating the outlook for the 1990s is not to predict the future but to prepare for the issues that will arise - to the extent that they can now be foreseen.

II. LONG-TERM TRENDS IN WORLD ECONOMIC DEVELOPMENT

5. World economic growth has slowed down over the past 30 years, from an average of over 5 per cent per annum in the early 1960s to 3.4 per cent in the late 1980s. The slowdown has taken place in all groups of countries (see table 1). Developing

Table 1. Population and growth of gross domestic product per capita, by economic region and income groups of developing countries, 1960-1990 a/

Country group	Population (1980)		Average annual rate of growth of GDP per capita			Per capita GDP				Percentage of average per capita GDP of the developed market economies			
	Millions	Percentage share	1961-1970	1971-1980	1980-1990	1960	1970	1980	1990	1960	1970	1980	1990
World	4 334.8	100.0	3.2	1.9	1.3	1 601	2 191	2 647	3 000	29.1	27.2	26.0	24.1
Developed market economies	771.6	17.8	3.9	2.4	2.1	5 501	8 042	10 185	12 490	100.0	100.0	100.0	100.0
Eastern Europe and the USSR b/	374.9	8.6	6.2	4.2	2.3	1 154	2 101	3 192	4 010	21.0	26.2	31.3	31.9
China	996.1	23.0	2.0	4.1	7.5	169	198	290	600	3.1	2.5	2.8	4.8
Developing countries	2 192.2	50.6	3.3	2.4	0.1	556	763	971	980	10.1	9.5	9.5	7.8
By regions													
North Africa	88.9	2.1	8.2	1.2	-0.3	590	1 284	1 438	1 400	10.7	16.0	14.1	11.2
Sub-Saharan Africa	361.8	8.4	1.8	-0.4	-2.6	514	606	580	440	9.3	7.5	5.7	3.6
West Asia	74.4	1.7	4.1	1.0	-4.3	2 478	3 700	4 180	2 730	45.0	46.0	41.0	21.9
South and East Asia	1 252.9	28.9	2.6	4.1	3.7	228	293	435	620	4.1	3.6	4.3	5.0
Latin America and Caribbean	346.4	8.0	2.7	2.4	1.1	1 409	1 831	2 320	2 090	25.6	22.8	22.8	16.7
Mediterranean	67.8	1.6	3.7	3.7	1.1	924	1 322	1 936	2 160	16.8	16.4	19.0	17.3
By income groups													
Per capita GDP greater than $700 in 1980	811.2	18.7	3.6	2.3	-0.6	1 175	1 662	2 105	1 979	21.4	20.7	20.7	15.8
Per capita GDP between $300 and $700 in 1980	398.8	9.2	2.0	3.0	1.6	289	345	463	543	5.2	4.3	4.5	4.3
Per capita income less than $300 in 1980	982.2	22.7	0.8	1.6	2.5	189	203	237	303	3.4	2.5	2.3	2.4
Least developed countries	297.5	10.0	1.1	-0.2	-0.3	227	254	249	241	4.1	3.2	2.4	1.9

Source: Department of International Economic and Social Affairs of the United Nations Secretariat.

a/ Measured in 1980 US dollars, and exchange rates.

b/ Based on net material product.

countries grew faster than the developed economies but with great disparities among them. There has been little or no improvement in the per capita income gap between the developing countries and the more economically advanced countries. Economic growth in the least developed countries has not only been slow in comparison with other groups of countries but, given their high rate of population growth, GDP per capita in those countries will be lower in 1990 than in the mid-1960s.

6. The strong link between capital formation and economic growth is reflected in the experience of all groups of countries. In the developing countries, the share of capital formation has risen from about 19 per cent in the early 1960s to over 26 per cent in the early 1980s, when it began to decline. During the 1960s and 1970s the increase in investment was noticeable in all groups of developing countries, although the magnitude in different groups varied considerably. After 1980, some developing countries were able to maintain their previous rate of capital formation, while in others it declined precipitously. When investment rates were rising in the world economy, investment efficiency was almost uniformly high in all the main regions of the world economy. From 1974 to 1982, investment productivity declined. Relatively greater fluctuations in economic activity reduced the volume of trade and the effectiveness of capital spending. Investment efficiency appears to have improved in the developed market economies in recent years, but in the developing countries the situation has been mixed, worsening in the petroleum-exporting and highly indebted countries and improving in the newly industrializing countries.

7. Progress in raising national savings has been mixed in both developed and developing countries. The average gross savings rate of the economically advanced countries was over 22 per cent of their GDP in 1960 and rose to 26 per cent by 1973; however, it has declined since then. Until the mid-1970s, a significant rise in savings rate was recorded in all groups of developing countries but then there was little progress. As domestic investment ratios tended to increase faster than savings ratios, developing countries became increasingly dependent upon external resources. Mounting debt service payment on the part of some highly indebted developing countries constrained their economic growth.

8. The growth of international trade outpaced production and both geographical and commodity composition of world trade changed drastically. Growing external imbalances, changes in the terms of trade and exchange rate volatility also characterized the trade of many countries, both developed and developing. The collapse of export earnings resulting from the steady decline in commodity prices during most of the 1980s has been a major cause of the economic decline in many developing countries.

III. QUANTITATIVE SCENARIOS FOR THE WORLD ECONOMY TO THE YEAR 2000

9. Assessments by international agencies of the prospects for long-term world economic growth point to the dangers of growing disparities. A state of disequilibrium is likely to prevail in the next decade, with internal and external imbalances in most world regions. Marked contrasts are expected in the economic growth of different regions of the world. Sufficient adjustment is assumed to take place to avoid a major economic downturn or a world financial crisis, but the world

distribution of income will continue to worsen as the gap between the richest and the poorest countries widens. However, many developments could improve the prospects for world growth over that implied by the baseline scenario. Reduced international political tensions in recent years, rapid political and economic reforms in a number of countries and continuing technological advances may promote capital formation, accelerate international trade and raise productivity growth. In a more stable international environment the probability of disruptive shocks is diminished and stabilizing economic co-ordination is facilitated. On the other hand, the possibility of a significant worsening of the international economic environment, caused by unsustainable financial imbalances or other factors, cannot be dismissed.

10. The principal macro-economic variables have been updated to 1990 and projected to the year 2000 on the basis of the United Nations Secretariat's global econometric model. Economic growth in over 75 countries and regions has been projected on the basis of expected magnitudes for two key determinants of long-term economic growth: the share of investment in GDP and an incremental capital-output ratio. Given these projections and estimated behavioural relationships, patterns of production, resource allocation and international trade have been derived for each of the countries and regions.

11. The baseline scenario assumes that internal imbalances will be progressively reduced to the year 2000. For the developed market economies, this adjustment is largely accomplished through a slowdown in the rate of growth of government expenditure, and resource allocation in these economies is not expected to change significantly. In the developing countries, however, the assumption is that some improvements in the rate of domestic saving will be necessary in order to sustain growth. The particular adjustment varies according to country grouping and circumstances, and, in the case of highly indebted and least developed countries, it represents significant costs associated with restoring minimal saving for sustained growth.

12. In many developing countries, investment has been assumed to rise as a proportion of GDP. As the investment effort undertaken by these countries increases, the pace of their growth is projected to accelerate slightly as the year 2000 approaches. Nevertheless, the expected rate of economic growth, particularly in the low-income and least developed countries, remains below its long-term historical trend and, when measured in per capita terms, is negative in some countries. With regard to investment efficiency, the assumption is that the productivity of investment in generating growth will improve from the low levels registered in the early 1980s but will remain below those of the 1970s.

13. Given these assumptions, the world economy is expected to grow by 3.5 per cent a year (see table 2). For the developed market economies, the baseline trend implies that growth during the 1990s will average about 3.1 per cent a year; for the economies of Eastern Europe and the USSR it will increase to 3.6 per cent, mainly owing to the reallocation of investment to consumer-oriented sectors. In view of the recent political changes in these countries and related proposals for economic reforms, it is possible that annual growth in this region could reach 4 to 5 per cent. Economic growth in the developing countries as a whole is expected to

Table 2. Gross domestic product, per capita levels and growth rates a/

	Growth rates				GDP per capita	
	GDP		GDP per capita			
	1986-1990	1990-2000	1985-1990	1990-2000	1985	2000
World	3.3	3.5	1.6	1.8	2 770	3 580
Developed market economies	3.0	3.1	2.5	2.6	11 100	16 130
North America	2.9	3.0	2.0	2.3	12 750	17 780
Western Europe	2.9	2.8	2.6	2.6	10 840	15 910
Other developed	4.2	3.9	2.8	3.0	9 150	14 200
Eastern Europe and the USSR b/	2.7	3.6	1.9	3.0	3 650	5 370
China	8.0	5.6	6.6	4.2	430	900
Developing countries	3.4	4.3	1.0	2.0	920	1 200
By geographical regions						
North Africa	2.7	4.4	-0.6	2.0	1 440	1 710
Sub-Saharan Africa	2.3	3.2	-0.4	-0.1	450	440
Latin America and Caribbean	1.4	2.9	-0.1	1.0	2 100	2 320
West Asia	0.3	4.2	-2.6	1.0	3 100	3 020
South and East Asia	6.6	6.1	4.4	3.9	500	920
By export orientation						
Petroleum-exporting countries	1.3	3.7	-1.3	1.3	1 630	1 930
Major exporters of manufactures	4.9	5.2	3.0	3.6	1 325	1 620
Primary commodity and services exporters	2.0	2.9	-1.1	0.8	640	670
By income level						
High-income oil exporters	1.5	4.2	-2.5	0.5	7 550	6 200
Other high-income	2.6	3.9	0.0	1.5	3 090	3 560
Middle-income	3.4	4.7	1.0	2.5	1 210	1 720
Low-income	3.5	4.6	1.1	2.3	350	490
Least developed	3.5	3.1	0.7	0.2	240	270
Highly indebted countries	1.9	3.0	-0.8	0.8	1 790	1 860

Source: Department of International Economic and Social Affairs of the United Nations Secretariat.

a/ Measured in 1980 US dollars and exchange rates.

b/ Based on net material product.

improve to 4.3 per cent a year. Given the diversity expected in the performance of different regions, it implies negligible growth or absolute decline in the heavily indebted and least developed countries. GDP per capita in West Asia and sub-Saharan Africa is expected to be lower at the end of the century than in 1985. In contrast, continued rapid growth is expected in Asian economies.

14. The contrasting rates of growth indicate worsening gaps between the economically developed and developing areas of the world, and, among the latter, growing gaps between the least developed countries and other developing countries. Even where significant increases in average per capita incomes may be expected under the baseline scenario, the incidence of poverty is likely to remain pervasive. Projections of income distribution indicate that almost 1 billion people will still have incomes of less than $300 per capita in the year 2000. A reduction of the incidence of poverty is expected to take place in Asian economies, but in Africa and in Latin America and the Caribbean, the number of people below this poverty line is projected to increase.

15. International trade is expected to expand by 4.5 per cent a year in the baseline scenario. Although some degree of policy co-ordination is expected to take place among the major industrialized countries, competition from abroad will continue to be a potential source of income loss, labour displacement and external imbalance. In developing countries, it is assumed that strong measures will be taken to deal with a heavy debt burden, leading to increasing exports; on the other hand, continued efforts to restrain import demand in those countries will contribute to a slow expansion in world trade. The growth of exports and imports in Eastern Europe and the USSR is expected to be above recent rates but below those of the 1970s and early 1980s.

16. It is unlikely that the baseline projections for economic growth in the developing countries will be exceeded unless significant policy changes are made by developed and developing countries alike. An analysis of the sensitivity of the baseline scenario to changes in policy assumptions suggests that accelerated structural change in the developed market economies and greater market integration might raise rates of economic growth for certain subgroups of developing countries. Improved co-ordination of macro-economic policies among the major developed market economies could result in lower world interest rates, and new arrangements for the channelling of surplus saving towards developing countries could substantially enhance their economic performance. A lowering of protectionist barriers would also boost growth in the world economy. While an alternative scenario assumes a 5 per cent cut in the military expenditures of the developed countries and the use of those resources to increase investment world wide, events in late 1989 suggest that a considerably greater reduction of military spending may be achievable in the 1990s, with a correspondingly greater improvement in the economic performance of the developing countries. In a composite scenario based on the above possibilities, growth rates in the developing countries could exceed the baseline rates by 1 to 1.5 percentage points.

IV. STRUCTURAL CHANGE IN WORLD PRODUCTION AND TRADE

17. Three decades of economic growth have led to a significant transformation of every sector of the world economy. The share of output generated in agriculture has fallen noticeably in all groups of countries as other kinds of economic activity rose in relative importance. In the developed countries, there was a reallocation of employment and capital from heavy industry to high-technology manufacturing and high-value-added specialized services. Intensified international competition also contributed to a significant decline in the share of manufacturing in the developed market economies and a redeployment of manufacturing production to the developing countries.

18. The transformation of patterns of production in the developing countries differed from region to region, with some countries undergoing large-scale structural change and others experiencing little or no change. Manufacturing output and exports grew rapidly in manufacturing-oriented economies, especially in the newly industrializing economies, but the process of structural change was slow in the low-income and least developed countries. In the least developed countries, agriculture still accounts for over 40 per cent of their GDP, while manufacturing activities contribute only 8.5 per cent.

19. The developing countries increased their share in many individual lines of economic activity, notably manufacturing, but their share in total world output fell none the less between 1960 and 1987. The developing countries increased their share of world manufacturing output from 12 per cent in 1970 to 16 per cent in 1985, and this share is projected to be over 22 per cent in the year 2000. The newly industrializing economies of South and East Asia are increasing their share in all sectors, almost doubling their share of world GDP and manufacturing output. The share of the petroleum-exporting economies in the world economy is expected to taper off in all sectors, while the share of the agricultural exporting regions is projected to remain constant. The shares of low-income, least developed economies and mineral exporting economies tended to stagnate in the 1980s and are projected to continue in this trend.

20. The baseline projections suggest that agriculture will continue to be the predominant source of income and employment in many developing economies, and the slow growth of this sector will cause slow growth for the economy as a whole. Consequently, the share of these economies in the world output may be expected to decline or at best remain stable in the 1990s.

21. For most of the historical period, the trend of the developing countries in the export of manufactured goods is that of rising shares. Their share in world agricultural exports stagnated at about 28 per cent in the 1980s, compared with more than 30 per cent in the second half of the 1960s. Growth of world exports of non-fuel primary commodities is expected to be about 4 per cent a year, and that for food, especially cereals and fats and oils, is expected to be somewhat greater, but demand for sugar and tropical beverages is expected to grow by less than 1.5 per cent a year. Exports of textile fibres and most metals and minerals are anticipated to grow only about 1 per cent per annum, but that of rubber and copper may grow at about 2 per cent.

22. Competition for increased shares in the world market from developing countries with debt-servicing problems is expected to be intense and the purchasing power of most primary commodity exports of the developing countries will almost certainly grow more slowly than export volumes.

V. LONG-TERM SECTORAL ISSUES

A. Agriculture

23. World agricultural output has doubled since 1960 and, in the developing countries, it grew at an average rate of 3.2 per cent during the period 1961-1988. However, the objective of food security is far from achieved and the number of seriously undernourished people is at least 500 million. In sub-Saharan Africa, growth was sluggish and droughts caused a full-scale emergency in the early 1980s. The world food system relies increasingly on trade, which made the agricultural sector more open to international economic developments, such as fluctuating exchange rates, commodity price instability, external debt problems and rising real rates of interest. During the 1960s, world trade in cereals expanded from 87 million tons to 111 million tons; it reached 214 million tons by 1981/82. Net cereal imports by the developing countries, which were about 20 million tons during the 1960s, reached 86 million tons in 1988.

24. Production growth has been stimulated by policies that encouraged farmers to use more productive technologies and by public investment in irrigation and other infrastructure. Price policies proved an effective means of encouraging production in countries where the physical and institutional infrastructure was already in place, while non-price policies were instrumental in others. Inadequate natural resource endowments make it difficult for some countries, for example, semi-arid ones, to encourage agricultural growth by using the newer, high-yield varieties of seed. The growth of production in many low-income food-deficit countries, especially in Africa, may cause environmental damage as the pressure of increasing demand on scarce natural resources rises.

25. The projections for agriculture reflect a broadly optimistic view of the prospects of developing countries consistent with the alternative composite macro-economic scenario mentioned in paragraph 16 above. They also assume that the developing countries will give priority to domestic production over imports of deficit food products and adopt appropriate policies to increase self-sufficiency, if this can be achieved economically. It is assumed that efforts to contain protectionism and move towards a more market-oriented system of world agricultural trade will lead to a gradual process of attenuation rather than a radical reversal of the unfavourable trends for the developing countries' agricultural exports. The projected growth rate of 3.1 per cent for world agricultural output is equal to that of past long-term trends, but with significant regional differences. The prospects for an upturn in African agriculture are far from clear; it is assumed that it will return to growth exceeding that of population growth, which will be 2.3 per cent in North Africa and 3.3 per cent in sub-Saharan Africa. The 3.1 per cent growth rate projected for Asia is lower than in the 1980s.

26. The developing countries will continue to be net importers of cereals, although these imports will increase more slowly than before. Self-sufficiency in food is likely to decline further in Africa, but elsewhere the erosion is likely to be checked. As the overall economic prospects for Africa and Latin America are unfavourable, the incomes of the poor will not rise enough to eliminate poverty and undernutrition, which will remain at about the present level. The number of undernourished persons is expected to grow in sub-Saharan Africa, although the majority of undernourished persons will still be in Asia.

27. Undernutrition and food security are intimately linked with issues of poverty alleviation and human resources development. The objectives of the Programme of Action of the World Conference on Agrarian Reform and Rural Development 1/ remain essential. Past developments have not been in the right direction. Reversals were not uncommon and the overall economic crisis and related structural adjustments have created an unfavourable environment for agricultural policies.

B. Energy

28. Until 1973, rapid growth in energy consumption was promoted by cheap and plentiful supplies of energy. The large increases of oil prices in 1973-1974 and again in 1979-1980, accompanied by apprehensions about the security of supplies, resulted in sluggish demand that lasted until 1985. This period was characterized by improved efficiency in energy use and low economic growth. The collapse of oil prices in 1986 and their subsequent stabilization, as well as the resumption of higher economic growth, has once again brought about higher than expected increases in energy demand, including oil.

29. Changes in relative prices and measures undertaken by Governments have led to structural changes in the demand for energy and the composition of supply. Conservation and greater energy efficiency have resulted from the switch to less energy-intensive products and processes. Energy efficiency increased in the transport and household sectors. From 1973 to 1986, energy intensity declined by 27 per cent in the developed market economies and by 17 per cent in Eastern Europe and the USSR. In developing countries, the amount of commercial energy consumed per unit of output is still rising, mainly owing to the replacement of non-commercial energy (i.e., wood and farm waste) by commercial energy and by the growth of energy-intensive sectors.

30. In the baseline scenario, energy consumption world wide is expected to grow at about 2.8 per cent per year. From 1987 to the year 2000, energy consumption in the developed market economies will rise at 1.6 per cent per annum. Energy production in the developed market economies is projected to increase from 57 million barrels per day of oil equivalent (mbdoe) in 1986 to 67 mbdoe in the year 2000. Demand for electricity is expected to grow at about the same rate as GDP. Although the outlook for nuclear power in the developed market economies is uncertain, it is expected to represent about 15 per cent of total electricity production by the year 2000.

31. In Eastern Europe and the USSR, energy consumption is expected to grow at about 2.4 per cent annually. The share of the industrial sector in final energy use is expected to fall, and that of the transportation sector to increase. Inter-fuel substitution and better efficiency will slightly reduce the relative role of liquid hydrocarbons by the end of the century. Large natural gas reserves in the USSR will ease the changeover from oil to coal. Nuclear power is projected to account for some 12 per cent of their energy production.

32. In the developing countries and China, energy consumption will increase at about 5 per cent annually. The developing countries as a whole will still be heavily dependent on liquid hydrocarbons. Production of crude oil and natural gas liquids will rise from approximately 30 mbdoe in 1987 between 46 and 50 mbdoe in the year 2000; some 30 to 34 mbdoe will be produced by OPEC. Natural gas production is expected to more than double the current level of about 4 mbdoe. Some countries with large unexploited hydropower sites may increase electricity production, provided that the sizeable investment required can be financed. Electricity supplied by nuclear energy is expected to reach 2 per cent of total energy production.

33. Net imports of liquid hydrocarbons by the developed market economies from the developing countries are expected to rise from 13 mbdoe in 1987 to 20 mbdoe by 2000. Eastern Europe and the USSR are expected to shift from net exports of 1.6 mbdoe in 1987 to net imports of 2 mbdoe in the year 2000, but these net oil imports will be largely offset by exports of natural gas to Western Europe. The current balance of international trade in coal between developed and developing countries is also expected to be reversed.

34. Growth in world demand for energy will not necessarily lead to oil price increases in the next few years. However, sometime around the mid-1990s, prices may be expected to move up. Later in the decade, many small high-cost fields in non-OPEC countries will be exhausted and oil production capacity will become more concentrated. The maintenance of discipline among producers will become easier, and the possibilities for co-operative action will be enhanced. None the less, given past experiences, it seems unlikely that the price of oil will be sustained for any appreciable period above $25 per barrel (in 1987 dollars) over the rest of the century. The maintenance of oil prices below $15 per barrel (in 1987 dollars) for extended periods is also unlikely.

35. Lower oil prices since 1986 have created a new climate for energy policies, but growing environmental concerns have contributed to new uncertainties about the future development of the world energy market. The evidence that fossil fuels are major contributors to the greenhouse effect, as well as to acid rain, together with the widespread public resistance to nuclear energy, is influencing energy investments, related research and development strategies in a number of countries.

VI. NEW TECHNOLOGIES

36. The level of technological development is increasingly seen as the main determinant of structural change. Information technology, new materials technology and biotechnology are expected to have an increasing impact on the world economy during the 1990s. Fast adoption of these technologies in some countries may have a greater impact on future North-South trade than the disparities in income levels.

37. The rapid growth of information technology and improvement in the cost/performance ratio of this technology has induced rapid expansion in the micro-electronics and informatics industries. It is estimated that the economic potential from information technology will be about 10 times greater in the next 10 years than in the past decades. This technology has transformed finance, banking, business management and public administration. In manufacturing and to some extent in agriculture, many processes now use highly flexible, self-regulating machines, or "robots". The engineering industry has been transformed by computer-assisted design and manufacturing systems.

38. The growth of the computer and telecommunication industries is still rapid and pervasive. World demand for computer services is growing at more than 20 per cent per year. World production of information technology systems is estimated to grow at 15 per cent per year during the period 1986-1995 and that of software at 20 per cent. Recent activities in micro-electronics production in developing countries suggest fast adoption of this technology everywhere. The newly industrializing countries are projected to double their semiconductor production by the year 2000; the Brazilian electronics market has become the tenth largest in the world; India is increasing its software exports at 40 per cent annually. Telecommunications technologies and microcomputers offer potential opportunities for meeting many needs in the developing countries. Telecommunications technologies may be instrumental in improving market mechanisms for small businesses and in developing rural areas.

39. Many new materials with more consistent quality and reliability, improved durability and greater ease of processing have been developed in recent decades, and the declining trend in the use of traditional raw materials is accelerating. Substitution and materials saving, together with new processing methods, have led to "dematerialization". During the period 1973-1985, the use of steel, tin and zinc decreased by 30-40 per cent in relation to GDP. Such reductions in the use of traditional materials suggest that, although some low-cost producers may be able to increase their shares in the slowly growing world market, they will face declining real prices. However, developing countries may be competitive in the production of some new materials, such as fibre-reinforced plastics and inorganic materials, provided they shift to the production of more knowledge-intensive materials.

40. Biotechnology innovations have already been applied in food and agricultural production, renewable energy, waste recycling, pollution control and medical treatment. Biotechnology has been efficiently used to produce new pharmaceuticals; their market sales, initiated a few years ago, may reach $70 billion by the year 2000. World output of biotechnology products is expected to grow by 9 per cent per year until the year 2000. World production of bio-engineering products may reach $10 billion by 2000. In the next century, about 75 per cent of

all major seeds may be developed by genetic engineering or tissue culture. Genetic engineering is already being applied in animal husbandry.

41. Many developing countries have successfully applied biotechnology. Nitrogen-fixing biotechnology is estimated to increase corn yields in Mexico and Central America by two to four times. Plant and animal biotechnologies offer many benefits but may also have some negative impacts, including environmental hazards and displacement of products that are major exports of some developing countries.

42. The transfer of new technologies has been more rapid among countries with higher levels of technical development and greater financial resources. International transfer of technology has been dominated by private foreign direct investment and inter-firm licensing. Joint ventures and licensing are increasingly preferred and are rising more rapidly than foreign direct investment.

VII. ENVIRONMENTAL ISSUES

43. The impact of growing populations and economic activity has already weakened the natural resource base of many countries and poses increasing risks to the prospects for sustainable development. Sustainable development does not imply cessation of economic growth, but rather a recognition that the problems of poverty and underdevelopment and related environmental problems cannot be solved without vigorous economic growth. However, it will also require changes in current patterns of growth, to make them less resource and energy intensive and more equitable. Growth derived from rapid resource depletion is neither ecologically nor economically sustainable.

44. Environmental stress has long been seen as a result of growing demand for scarce resources and of pollution generated by rising living standards. However, poverty itself also creates environmental stress. Urgent tradeoffs often arise between protecting the environment and satisfying basic short-term needs. International economic relations pose a particular problem for poor countries trying to manage their environment, since the export of natural resources is a large factor in their economies. Recent trading patterns reveal a transfer of environmental costs from industrialized to developing countries as some of the "dirty" manufacturing processes have relocated away from the developed countries.

45. Many environmental risks cross national boundaries and some are global in scope. Although the activities that give rise to those risks are concentrated in a few - mostly industrialized - countries, the risks are shared by all countries, whether they benefit from the activities or not, and most countries have little influence on the decisions that affect those activities. Industrialized countries generate about 90 per cent of the world's hazardous waste and increasing amounts have been disposed of unsafely in developing countries.

46. The issue of greenhouse gases and climate change has become urgent, as more analyses indicate that significant global warming and climate change are likely over the next few decades. While these impacts may not reach critical proportions until the next century, their potential magnitude is so great that it would be unwise to postpone efforts to limit their causes, especially carbon dioxide from

combustion of fossil fuel. Further use of chlorofluorocarbons (another type of greenhouse gases) could also lead to a significant reduction in stratospheric ozone, accelerating the incidence of skin cancer and other harmful effects of ultraviolet sunlight, which the ozone counteracts. The Montreal Protocol on Substances that Deplete the Ozone Layer, adopted in September 1987, calls on the more industrialized signatories to reduce production and consumption of chlorofluorocarbons by 50 per cent by 1999. The Helsinki Declaration, adopted in May 1989, calls for a complete phase-out by that date.

47. World wide, it is estimated that millions of hectares are losing their biological diversity each year. Two fifths of Africa's non-desert land risks being turned into desert, as does one third of Asia's and one fifth of Latin America's. Political, economic and social factors appear to be more important than low rainfall in the process of desertification.

48. About 15 million hectares of the world's forests disappear each year, mostly in humid parts of Africa, Asia and Latin America. At that rate, about 40 per cent of the remaining forest cover in the developing countries will be lost by the year 2000. This deforestation is destroying forest-based livelihoods, increasing soil erosion and downstream flooding and accelerating the loss of species and genetic resources.

49. All countries have deeply worrisome water-resource problems. Supply constraints are increasing, aggravated by droughts, depletion of aquifers and deforestation, while demand for water is rising rapidly for irrigation, urban development and industrial and energy production. Surface water and ground water in many areas are contaminated by nitrates and pesticides, urban run-off and seepage from waste-disposal sites. Water resource management has a major international dimension, as there are some 200 internationally shared river basins and a large number of regional seas.

VIII. POPULATION AND HUMAN SETTLEMENTS

50. World population will reach 6.25 billion in the year 2000. The fastest growth, over 3 per cent a year, will occur in sub-Saharan Africa, where economic recovery and restoration of self-sustained growth will be particularly difficult. Labour force growth rates in the developing world will average 2.5 to 3 per cent, but in developed countries will be less than 1 per cent. The total dependency ratio is expected to fall in the developing countries, as fertility declines. As the relative size of the elderly population increases, especially in the developed regions, growing burdens will be placed on the economically active population. Urban population will grow faster than rural population in all regions. International migration, both legal and illegal, can be expected to accelerate further in the 1990s, as income differentials increase and the cost of transportation declines. The global refugee population is estimated at 12 million, with three quarters of the refugees in developing countries, where they pose heavy problems for social integration, government finances and the labour markets.

51. The "mega-cities" in developing countries are surpassing the levels of many of the largest urban areas in the developed countries. There is little evidence to

indicate that the largest mega-cities will become technically unmanageable, despite fears to the contrary. Revised policies and administrative mechanisms for urban expansion and operation are needed.

52. Transforming the rural economy of developing countries from traditional subsistence agriculture to a diversified modern sector requires a supporting system of human settlements. Intermediate-sized towns can provide services and employment for a modernized rural economy, and investment in shelter, infrastructure and related services can be a major source of economic growth when construction is based on appropriate technologies and standards and uses mostly domestic material.

53. Approximately 1 billion people had housing of very poor quality in the 1980s, and that number may double by the year 2000. Past commitments by Governments to provide affordable housing have been eroded by economic and financial difficulties. The increase in the number of households is still several times larger than the number of new permanent dwellings constructed in developing countries. Little increase in the ratio of new permanent dwellings to new households is expected for the low-income developing countries under present policies, and only moderate improvement is projected for the middle-income countries by the late 1990s. In view of the shortage and relatively high cost of officially authorized permanent housing, better use should be made of the informal and rental housing sectors. Increased security of tenure and public supply of water and other services can stimulate substantial investment in informal land development and shelter.

IX. HUMAN RESOURCES DEVELOPMENT AND SOCIAL POLICY

54. An emphasis on the development of human capabilities is an approach that regards human beings as both the means and the end of economic and social policy and relies on local resource mobilization and participation as agents of constructive change.

55. Education, especially primary schooling for literacy, is both a goal of development and a means for achieving the interrelated goals of better health, higher labour productivity and rapid economic growth, as well as social integration. More advanced education is increasingly needed to understand and participate in the technological and administrative processes of the modern global economy. However, most Governments have not given education top priority as a development objective.

56. Literacy rates have risen considerably since 1970, but the number of illiterate adults in the world has increased; most are in the developing countries. Females have lower rates of literacy than males in all of the developing regions. Many of the higher-income developing countries reached gross enrolment rates of 100 per cent for primary school during the 1970s, and dramatic increases in primary enrolment were achieved in the lower-income regions. In the 1980s, the gross enrolment rate in South Asia continued to improve, but it fell back in sub-Saharan Africa. The number of unenrolled children aged 6 to 11 will remain over 100 million in the developing countries in the year 2000.

57. Current understanding suggests the following priorities to increase the relevance and efficiency of primary schooling: improving the availability and use of instructional materials, enhancing teacher effectiveness, improving managerial skills and individual and organizational incentives and increasing the time actually spent on learning.

58. With little economic growth expected in sub-Saharan Africa and many least developed countries, it will be important to reduce the cost per student and/or to increase the share of GDP devoted to education. For secondary and higher education, high costs per student tend to limit the growth of enrolment. Greater use of fees, student loans and need-based rather than general subsidies would increase the resources available for secondary and higher education and allocate them more equitably. Sending students abroad for third-level education in specialized fields is probably less expensive than rapidly building up the necessary physical facilities and importing foreign teachers. However, it contributes to the "brain drain" and can be costly in foreign exchange. Moreover, in a growing number of developing countries, many university graduates are encountering great difficulties in finding employment, even while there are shortages of adequately trained technicians.

59. Inequities in the availability of education relate to poverty, location, gender, religious or ethnic identification and physical or mental disability. Poor families require assistance with the costs of school fees, uniforms and transportation. Equity in rural areas may require flexible scheduling of the school year to minimize conflict with agricultural planting and harvesting. In adult education programmes, women deserve the highest priority, in view of their history of being educationally underserved and their economic contributions to agriculture and industry, as well as their influential role as mothers and often as head of a single-parent household.

60. Infant mortality rates are a good indicator of health conditions. In the past decade these rates decreased in nearly all countries, but more than a quarter, representing 29 per cent of the world population, still have rates above 100 per 1,000 live births, while the rate is less than 20 per 1,000 in the developed countries. The average for the least developed countries is projected to be 103 per 1,000 from 1995 to 2000 and 93 per 1,000 between 2000 and 2005. The goal of reducing infant mortality rates below 120 per 1,000 live births by 1990 is not expected to be met by 21 countries, and 59 countries are projected to have rates above the goal of 50 per 1,000 in the year 2000, including 41 in sub-Saharan Africa.

61. In Africa and Asia, infectious and parasitic diseases account for about half of all deaths, the majority occurring among infants and young children. Many of these diseases can be overcome by improvements in environmental and living conditions and other preventive action. Six major preventable diseases of childhood - diphtheria, pertussis, neonatal tetanus, poliomyelitis, measles and tuberculosis - together kill some 4 million children each year and cause disability in 4 million more. These diseases have been selected as targets for immunization in most countries, but some still have not allocated the relatively modest resources needed to provide this protection. Tuberculosis and malaria remain major public health problems. Viral and bacterial epidemics are still a threat.

Acquired resistance and natural insensitivity of micro-organisms and other vectors to available drugs and pesticides have slowed the progress in disease reduction and increased the cost of control; biotechnology is being used to develop a new generation of vaccines. Acquired immunodeficiency syndrome (AIDS) and the entire spectrum of diseases associated with human immunodeficiency virus (HIV) infection have rapidly emerged as a major global public health problem. The enormous cost of caring for AIDS patients threatens to divert resources away from other health programmes.

62. In most parts of the world, nutrition has improved over the past 25 years, but some 500 million people are malnourished. Maternal and child health services have increased in most of the developing countries, but care for children under five years of age is still very limited. There has been some progress in the availability of treatment for common diseases and injuries and of essential drugs, but lack of resources and poor transport and communications are still major obstacles in rural areas. Economic stress and severe drought have contributed to the deterioration of health services in Africa; infant and child deaths are thought to be rising there.

63. In all countries, demand for health services of greater complexity is increasing and a strong case can be made for a reorientation of health services towards primary health care in rural areas, and for a more cost-efficient allocation of resources among drugs, surgery and other methods of health care. Primary health care could be provided in the developing countries for $10 to $15 per person per year. As little as $1 to $5 per capita could provide a significant reduction in child mortality, if used effectively in primary health care that is delivered by health workers paid according to national income levels. The rapidly increasing number of older citizens in all countries will place an additional pressure on health systems.

64. During the first half of the International Drinking Water Supply and Sanitation Decade (1981-1990), some progress was made in extending water and sanitation to the urban and rural populations in most of the developing countries. However, the trends in population growth and total investment, and the high capital and recurrent costs of prevalent technologies, suggest that the goal of full coverage for water and sanitation is unlikely to be met by the year 2000, especially in the rural areas of low-income countries.

65. The fuller participation of all elements of society in defining and achieving the common goals of development has the potential to stimulate motivation, innovation and productivity. There is great potential in the further use of co-operative, self-help and community groups, non-governmental organizations, and workers' participation in the management of enterprises. Economic and social development can benefit from greater autonomy for public enterprises, devolution of power to local authorities and new forms of partnership between governmental and non-governmental organizations. The reorientation of welfare services towards mutual self-help, prevention, rehabilitation and income-generating activities is of special significance in developing countries. In the developed countries, rapidly rising costs of social welfare programmes have been a cause of concern, as have their alleged inefficiencies and failure to provide for those most in need.

Institutionalization is being de-emphasized in favour of community-based and family-based support, prevention and rehabilitation.

66. Progress towards equality has wide implications for the future global economy and society. Women make essential contributions to economic and social life although many of their activities are not formally recognized, especially their work in households, family farms and enterprises and in the informal sector. Increased productivity in such activities could be a major source of increased well-being and economic growth. With increased life expectancy and other changes in the developing countries, many more women are likely to enter the formal labour force.

67. In many developing countries the need for social services is increasing, but with recession and economic decline in some areas, Governments are seeking to maintain existing family support systems. Social welfare programmes increasingly emphasize creating income-earning opportunities. National economies will suffer increasingly from the effects of crime, including the use of legitimate or quasi-legitimate organizational techniques and structures for illegal economic gain. The use of new techniques for non-violent but illegal acquisition and use of money will grow and significantly affect the economy in many countries.

68. Drug abuse and illicit trafficking have spread throughout the world and are likely to continue. Drug abuse, primarily among the young, crosses all social, economic and political boundaries. Its spread reflects expanded illicit demand and production, as well as the traffic in drugs, which has become sophisticated and complex, involving organized crime. The cultivation of narcotic plants has grown to enormous proportions in certain areas of the world. While strong law enforcement and advanced technology may improve a country's ability to destroy illicit crops, production in some areas is likely to continue unless reasonable economic alternatives are offered to those involved.

X. CONCLUDING OBSERVATIONS

69. The likely impacts of many changes currently under way in the world economy are difficult to assess, especially those that significantly modify the existing relationships on which the projections of the world economy are based. Some of the changes that seem most significant for the 1990s are the following:

(a) A greater measure of financial and monetary stability in the world economy would encourage much investment and direct it into efficient use. For many countries in Latin America and Africa, this would make a decisive difference;

(b) Genuine progress on disarmament would release extensive resources for civilian uses;

(c) The international trading system is likely to undergo important changes in the medium term. The outcome of the Uruguay Round, the implementation of an internal market in the European Community and economic reforms under way in China, Eastern Europe and the USSR may bring new patterns of international economic relations and accelerate growth;

(d) Development does not occur in a social and political vacuum. The immediacy of world-wide information about national events has created a new dimension of politics. Political systems are in transition, and the outlook for the 1990s depends not only on economic but also on political and social progress;

(e) The implications of the need for sustainable development may become clearer in the course of the next decade and provide a basis to guide economic and social progress so as to leave the world with better prospects for the future in the year 2000 than in 1990.

70. These examples clearly imply that the outlook for the next decade vitally depends on the progress made both in national policy-making and in international co-operation.

Notes

1/ See Report of the World Food Conference on Agrarian Reform and Rural Development, Rome 12-20 July 1979 (WCAARD/REP); transmitted to the members of the General Assembly by a note by the Secretary-General (A/34/485).

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PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY FOR THE FOURTH
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Third session
15-26 January 1990
Agenda item 3

ELABORATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

Summary of the updated report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000

Corrigendum

1. Replace table 1 by the table shown on the following page.

2. Paragraph 25

The fourth sentence should read

The projected growth rate of 3.1 percent for agricultural output in the developing countries is equal to that of past long-term trends, but with significant regional differences.

3. Paragraph 31

The last sentence should read

Nuclear power is projected to account for some 12 per cent of their energy use.

Table 1. Population and growth of gross domestic product per capita, by economic region and income groups of developing countries, 1960-1990 a/

Country group	Population (1980)		Average annual rate of growth of GDP per capita			Per capita GDP				Percentage of average per capita GDP of the developed market economies			
	Millions	Percentage share	1961-1970	1971-1980	1981-1990	1960	1970	1980	1990	1960	1970	1980	1990
World	4 371 b/	100.0	3.2	1.9	1.3	1 601	2 191	2 647	3 000	29.1	27.2	26.0	24.1
Developed market economies	768	17.6	3.9	2.4	2.1	5 501	8 042	10 185	12 490	100.0	100.0	100.0	100.0
Eastern Europe and the USSR c/	378	8.6	6.2	4.2	2.3	1 154	2 101	3 192	4 010	21.0	26.2	31.3	31.9
China	996	22.8	2.0	4.1	7.5	169	198	290	600	3.1	2.5	2.8	4.8
Developing countries	2 230	51.0	3.3	2.4	0.1	556	763	971	980	10.1	9.5	9.5	7.8
By regions													
North Africa	88	2.0	8.2	1.2	-0.3	590	1 284	1 438	1 400	10.7	16.0	14.1	11.2
Sub-Saharan Africa	364	8.3	1.8	-0.4	-2.6	514	606	580	440	9.3	7.5	5.7	3.6
West Asia	88	2.0	4.1	1.0	-4.3	2 478	3 700	4 180	2 730	45.0	46.0	41.0	21.9
South and East Asia	1 262	28.9	2.6	4.1	3.7	228	293	435	620	4.1	3.6	4.3	5.0
Latin America and Caribbean	361	8.3	2.7	2.4	-1.1	1 409	1 831	2 320	2 090	25.6	22.8	22.8	16.7
Mediterranean	68	1.6	3.7	3.7	1.1	924	1 322	1 936	2 160	16.8	16.4	19.0	17.3
By income groups													
Per capita GDP greater than $700 in 1980	825	18.9	3.6	2.3	-0.6	1 175	1 662	2 105	1 979	21.4	20.7	20.7	15.8
Per capita GDP between $300 and $700 in 1980	406	9.3	2.0	3.0	1.6	289	345	463	543	5.2	4.3	4.5	4.3
Per capita income less than $300 in 1980	991	22.7	0.8	1.6	2.5	189	203	237	303	3.4	2.5	2.3	2.4
Least developed countries	312	7.1	1.1	-0.2	-0.3	227	254	249	241	4.1	3.2	2.4	1.9

Source: Department of International Economic and Social Affairs of the United Nations Secretariat.

a/ Measured in 1980 US dollars, and exchange rates.

b/ Excluding a number of countries and areas, with a combined population of 79 million in 1980, for which income data are not available.

c/ Based on net material product.